



CITY OF
ARROYO GRANDE
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JUN 16 2010

COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PUBLIC WORKS

June 11, 2010

Paavo Ogren
Director of Public Works and Transportation
County of San Luis Obispo
Room 207
County Government Center
San Luis Obispo, CA 93408

Dear Paavo:

On behalf of the City of Arroyo Grande, I would like to formally submit a request for consideration to enter into a Memorandum of Understanding (MOU) with the County of San Luis Obispo for allocation of \$400,000 in Pacific Gas and Energy (PG&E) Rule 20A utility undergrounding credits. The credits would be applied to the Grand Avenue Oak Park Boulevard to Elm Street and Elm Street to Halcyon Road utility undergrounding projects. Resolutions have been adopted by the City Council for both districts, which are scheduled by PG&E to be constructed in 2011 and 2013. It is my understanding that the County has previously programmed the \$400,000 in credits for this project. However, approval of an MOU is now necessary to permanently transfer the credits to the City so PG&E can move forward with the projects.

The City has partnered with the County on this project in the past when the Highway 101 to Halcyon Road phase was completed several years ago. The justification for County support and involvement is based on the importance of Grand Avenue as a corridor in the County providing access to the beach and Oceano area for visitors to reach important County destinations. The County Underground Utility Coordinating Committee (UUCC) has continued to view these future phases of the project in this same manner.

This is an extremely important project to the City in order to promote economic development along this corridor. We greatly appreciate the County's support and your consideration of our request. Please let me know what steps are necessary to proceed.

Thank you.

Sincerely,

Steven Adams
City Manager

cc. Raymond Dienzo, Engineer ✓